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USDL 94-115
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PRODUCTIVITY AND COSTS
Fourth-Quarter and Annual Averages, 1993

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change-as measured by output per hour of all persons-and revised annual changes for the full year 1993. In the fourth quarter, productivity increased briskly in business, nonfarm business, and manufacturing with the strongest gains recorded in durable goods manufacturing (table A). Unit labor costs declined in all sectors except nondurable manufacturing in the fourth quarter, partly reflecting the strong gains in productivity. Fourth-quarter measures are summarized in table A and appear in detail in tables 1 through 5. The changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 1992-1993
Business sector.....	6.9	1.8
Nonfarm business sector....	6.1	1.7

On an annual basis, productivity in business and nonfarm business rose moderately in 1993. The pace of output growth picked up, increasing more rapidly in 1993 than in 1992 in both sectors, and hours of labor input increased for the first time since 1990.

Growth in manufacturing productivity in 1993 reflected faster output growth than during 1992. A small decline in hours of labor input extended the downward trend which began in 1990. The changes in manufacturing were:

	Fourth quarter	Annual averages 1992-1993
Manufacturing.....	7.2	5.1
Durable goods manufacturing	12.3	7.5
Nondurable goods manufacturing	0.1	1.8

Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Output measures for manufacturing reflect independent indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes (page 7) for further information on data sources.

Table A. Productivity and costs: Revised fourth-quarter 1993 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Real		
				Hourly compensation	hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	6.9	9.3	2.2	2.9	-0.1	-3.8
Nonfarm business	6.1	8.6	2.3	2.8	-0.1	-3.1
Manufacturing	7.2	8.6	1.3	3.1	0.1	-3.8
Durable	12.3	14.4	1.8	3.8	0.8	-7.6
Nondurable	0.1	0.6	0.5	2.0	-0.9	1.9
Percent change from same quarter a year ago						
Business	2.1	4.1	2.0	3.1	0.4	1.0
Nonfarm business	1.9	4.3	2.3	2.8	0.1	0.9
Manufacturing	5.2	5.1	-0.1	2.2	-0.5	-2.8
Durable	7.8	7.7	-0.1	1.8	-0.9	-5.5
Nondurable	1.5	1.5	0.0	2.8	0.1	1.3

THIRD-TO-FOURTH QUARTER CHANGES, 1993

Business

Productivity increased strongly during the fourth quarter of 1993 in the business sector. The 6.9 percent gain reflected output growth at a 9.3 percent annual rate while hours of all persons engaged in the sector increased 2.2 percent (seasonally adjusted). The increase in productivity was the largest since 1983 (when a 7.5 percent increase was recorded in the second quarter), and the gain in output the largest since 1984 (when it rose 11.5 percent in the first quarter). During the third quarter of 1993, business productivity had increased 3.3 percent; output grew 3.2 percent, and hours fell 0.1 percent (table 1).

Hourly compensation increased at a 2.9 percent annual rate during the fourth quarter of 1993, compared with a 3.9 percent increase during the third quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, decreased at a 3.8 percent annual rate during the fourth quarter, compared with a 0.5 percent increase one quarter earlier. The decline in unit labor costs partly reflects the faster gains in productivity in the fourth quarter. It was the first decrease in this series since the first quarter of 1988 and the largest since 1955.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), showed a slight 0.1 percent decline in the fourth quarter of 1993 for persons in the business sector, compared with a 2.0 percent gain in the third quarter.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased at a 1.0 percent annual rate in

the fourth quarter. During the third quarter, prices of the goods and services which comprise business output had increased at a 1.1 percent rate.

Nonfarm business

In the nonfarm business sector, productivity gained 6.1 percent in the fourth quarter. Output jumped 8.6 percent (the largest gain since a 10.3 percent gain in the first quarter of 1984), and hours of all persons-employees, proprietors, and unpaid family workers-rose 2.3 percent. The change in hours resulted from a 1.5 percent increase in employment and a 0.7 percent increase in the average workweek. During the third quarter, nonfarm productivity had increased 4.0 percent as output grew 4.1 percent and hours edged up 0.1 percent (table 2).

Hourly compensation rose 2.8 percent in the fourth quarter, but real compensation was off a slight 0.1 percent when the increase in the CPI-U was taken into account. During the third quarter, hourly compensation had increased by 3.7 percent, and real hourly compensation by 1.8 percent. Unit labor costs fell 3.1 percent in the fourth quarter, compared with a 0.4 percent decrease during the third quarter. This was the first 2-quarter decline in these costs since 1962.

The implicit price deflator for nonfarm business output rose 0.5 percent in the fourth quarter, compared with a 1.1 percent increase one quarter earlier.

Manufacturing

Manufacturing productivity rose at a 7.2 percent seasonally adjusted annual rate in the fourth quarter of 1993, compared with a 3.0 percent increase in the third quarter. Output rose a robust 8.6 percent in the fourth quarter, and hours of all persons increased 1.3 percent. The increases in productivity and output were the largest since the second quarter of 1987, when productivity rose 10.7 percent and output increased 10.6 percent. The fourth-quarter 1993 increase in hours followed declines in the second and third quarters (table 3). The increase in manufacturing productivity was virtually confined to the durable goods sector; only a small gain occurred in nondurables (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 3.1 percent during the fourth quarter, but edged up a scant 0.1 percent when the increase in consumer prices was taken into account. Unit labor costs fell at a 3.8 percent annual rate in the fourth quarter of 1993, compared with a 0.3 percent increase during the third quarter.

ANNUAL AVERAGE CHANGES, 1992-1993

Business

When the annual averages for 1993 and 1992 are compared, business productivity increased 1.8 percent. In 1992, productivity had grown 3.3 percent. Output grew 3.6 percent in 1993, and hours of all persons engaged in the sector increased 1.8 percent (table B).

Hourly compensation increased 3.8 percent in 1993, compared with a 5.0 percent increase during 1992. Real hourly compensation increased 0.8 percent in 1993, compared with a 2.0 percent rise in 1992.

Unit labor costs increased 2.0 percent during 1993, compared with a 1.7 percent increase a year earlier. These costs grew more in 1993 than in 1992, despite the lower increases in hourly compensation, because productivity grew less.

Nonfarm business

Productivity increased 1.7 percent in the nonfarm business sector during 1993, as output rose 3.8 percent and hours of all persons increased 2.1 percent. The increase in labor input in 1993 was the first annual gain in the series since 1990. In 1992, productivity had risen 3.1 percent, as output rose 2.7 percent and hours fell 0.4 percent. Hourly compensation rose 3.6 percent in 1993, compared with a 5.1 percent increase in 1992. Real hourly compensation increased 0.6 percent, down from a 2.0 percent rise in 1992.

Unit labor costs in the nonfarm business sector grew 1.8 percent in 1993 and 2.0 percent in 1992, reflecting a slowing of both productivity growth and hourly compensation gains from 1992 to 1993.

Manufacturing

Manufacturing productivity grew 5.1 percent in 1993, as output rose 4.7 percent and hours of all persons declined 0.3 percent. During 1992, productivity rose 4.2 percent; output rose 3.1 percent, and hours decreased 1.1 percent. The increase in manufacturing productivity in 1993 was the largest since 1987, the output gain the largest since 1988, and the drop in hours the smallest of four consecutive declines.

Hourly compensation of manufacturing workers increased 2.8 percent during 1993, but was down 0.2 percent when the increase in consumer prices was taken into account. Unit labor costs fell 2.2 percent in 1993, the first such decline since 1987, reflecting both faster productivity growth and a smaller gain in compensation per hour than in 1992.

Both durable and nondurable goods industries experienced productivity increases in 1993. The very large gain among durable goods producers reflected strong output growth and a decline in hours; however, in nondurable goods industries, both output and hours growth were modest in 1993 (tables 4 and 5).

Revised measures

Productivity and cost measures for the fourth quarter and full year 1993 for business, nonfarm business, and manufacturing, which were revised to incorporate the most recent information, were somewhat different from the preliminary results announced on February 8. Owing to upward revisions to the underlying output series prepared by the Bureau of Economic Analysis of the Department of Commerce, business and nonfarm business productivity grew more rapidly when more complete information was used. For example, nonfarm productivity grew at an annual rate of 6.1 percent in the fourth quarter, compared with the previously-announced growth rate of 4.2 percent (table B).

In manufacturing, revised indexes of industrial production prepared by the Board of Governors of the Federal Reserve Bank underlie BLS manufacturing output measures. (For details on the revision, see Federal Reserve Statistical Release G.17 (419) Supplement, February 4.) These changes are reflected in revised manufacturing productivity and related measures. Appendix tables 1-3 show the

effects of the revisions for 1991. Prior to 1991, the productivity effects are negligible.

Measures of real hourly compensation for all sectors reflect the Consumer Price Index for All Urban Consumers used in their computation. Revisions in the CPI, due to updated and modified seasonal adjustment factors and procedures, were announced February 17 (USDL 94-86). Measures for 1989 forward were affected.

Table B. Previous and revised productivity and related measures:
Fourth-quarter and annual averages, 1993
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Real			
				Hourly compensation	hourly compensation	Unit labor costs	
Percent change, third to fourth quarter 1993							
Business:							
Previous	4.8	7.1	2.2	2.9	0.0	-1.8	
Current	6.9	9.3	2.2	2.9	-0.1	-3.8	
Nonfarm business:							
Previous	4.2	6.6	2.3	2.9	0.0	-1.2	
Current	6.1	8.6	2.3	2.8	-0.1	-3.1	
Manufacturing:							
Previous	7.8	9.2	1.2	3.0	0.1	-4.5	
Current	7.2	8.6	1.3	3.1	0.1	-3.8	
Percent change, 1992 - 1993							
Business:							
Previous	1.7	3.5	1.8	3.8	0.8	2.1	
Current	1.8	3.6	1.8	3.8	0.8	2.0	
Nonfarm business:							
Previous	1.6	3.7	2.1	3.6	0.6	1.9	
Current	1.7	3.8	2.1	3.6	0.6	1.8	
Manufacturing:							
Previous	5.3	4.9	-0.3	2.8	-0.2	-2.4	
Current	5.1	4.7	-0.3	2.8	-0.2	-2.2	

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Thursday, May 5, 1994, and will contain preliminary first-quarter measures for business, nonfarm business, and manufacturing. Fourth-quarter and 1993 annual measures for nonfinancial corporations also will be included.

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The major sector labor and multifactor productivity database containing productivity and costs measures is identified by the two-character survey name MP.

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TECHNICAL NOTES

Labor Input: The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on total employment and average weekly hours of production and nonsupervisory workers in nonagricultural establishments. Jobs rather than persons are counted. Weekly hours are adjusted to the hours at work definition using the BLS Hours at Work survey, conducted for this purpose.

Data from the BLS Current Population Survey (CPS) are used for farm labor; in the nonfarm sector, the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis of the Department of Commerce and the CPS are used to measure labor input for government enterprises, proprietors, and unpaid family workers.

Output: Business output is equal to gross domestic product (GDP) in constant 1987 dollars, less general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the NIPA. Corresponding exclusions are also made in labor inputs. Business output was about 78 percent of GDP in 1992. Nonfarm business, which also excludes farming, was about 77 percent of GDP in 1992.

Total manufacturing measures are computed by summing series prepared for the durable and nondurable goods sectors. Durables include the following 2-digit SIC industries: Primary metal industries; fabricated metal products; nonelectrical machinery; industrial and commercial machinery and computer equipment; electronic and other electrical equipment; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone, clay, glass, and concrete products; and miscellaneous manufactures. Nondurables include: Food and kindred products, tobacco products, textile mill products, apparel products,

paper and allied products, printing and publishing, chemicals and chemical products, petroleum refining and related industries, rubber and plastic products, and leather and leather products. Manufacturing accounted for about 19 percent of GDP in 1992. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.

Nonfinancial corporate output is equal to GDP in constant 1987 dollars, less the output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, the output of unincorporated business, corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the NIPA. Nonfinancial corporations accounted for about 56 percent of GDP in 1992.

Productivity: These productivity measures describe the relationship between real output and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skill; and the characteristics and effort of the work force.

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 800-326-2577. 202-606-STAT; TDD phone: 202-606-5897; TDD message referral phone number: 1-

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1992	I	114.1	133.3	116.8	152.2	r105.9	133.4	148.5
	II	114.8	134.5	117.1	153.7	r106.1	133.9	149.9
	III	116.0	136.0	117.2	156.1	106.9	134.5	147.3
	IV	117.1	137.9	117.7	157.8	r107.2	134.8	152.6
	ANNUAL	115.5	135.4	117.3	154.9	106.5	134.1	149.6
1993	I	116.6	138.0	118.3	159.1	r107.3	136.4	152.1
	II	116.6	139.3	119.5	160.1	r107.1	137.3	153.1
	III	117.6	140.4	119.4	161.6	r107.6	137.4	153.9
	IV	r119.6	r143.5	120.1	r162.7	r107.6	r136.1	r157.6
	ANNUAL	r117.6	r140.3	119.4	160.8	107.4	r136.8	r154.2
Percent change from previous quarter at annual rate(5)								
1992	I	4.7	2.9	-1.8	5.7	r2.9	0.9	7.8
	II	2.5	3.4	1.0	4.1	r0.7	1.6	3.9
	III	4.2	4.6	0.4	6.2	r3.0	1.9	-6.7
	IV	3.8	5.6	1.8	4.6	r1.3	0.7	15.2
	ANNUAL	3.3	2.9	-0.4	5.0	2.0	1.7	3.4
1993	I	-1.6	0.5	2.1	3.3	r0.2	5.0	-1.4
	II	0.0	3.8	3.8	2.5	r-0.6	2.5	2.6
	III	3.3	3.2	-0.1	3.9	r2.0	0.5	2.1
	IV	r6.9	r9.3	2.2	2.9	r-0.1	r-3.8	r10.2
	ANNUAL	r1.8	r3.6	1.8	3.8	0.8	r2.0	r3.1
Percent change from corresponding quarter of previous year								
1992	I	2.9	1.8	-1.1	5.0	2.1	2.1	3.6
	II	2.9	2.3	-0.6	4.8	1.7	1.9	3.4
	III	3.8	3.4	-0.4	5.3	2.1	1.4	1.7
	IV	3.8	4.1	0.3	5.1	2.0	1.3	4.7
	ANNUAL	3.3	2.9	-0.4	5.0	2.0	1.7	3.4
1993	I	2.2	3.5	1.3	4.5	1.3	2.3	2.4
	II	1.6	3.6	2.0	4.1	1.0	2.5	2.1
	III	1.3	3.2	1.9	3.6	r0.7	2.2	4.5
	IV	r2.1	r4.1	2.0	3.1	0.4	r1.0	r3.3
	ANNUAL	r1.8	r3.6	1.8	3.8	0.8	r2.0	r3.1

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator(4)	
Indexes 1982=100									
1992	I	112.4	133.3	118.7	150.9	r104.9	134.3	149.8	139.3
	II	113.1	134.4	118.8	152.6	r105.3	134.9	151.5	140.2
	III	114.1	135.9	119.0	154.8	106.0	135.6	148.7	139.8
	IV	115.3	137.9	119.6	156.6	r106.3	135.8	154.4	141.8
	ANNUAL	113.7	135.4	119.1	153.7	105.7	135.1	151.1	140.3
1993	I	114.8	138.1	120.3	157.7	r106.3	137.4	153.8	142.7
	II	114.7	139.5	121.6	158.4	r106.0	138.2	154.8	143.5
	III	115.8	140.9	121.7	159.8	r106.4	138.0	156.3	143.9
	IV	r117.5	r143.8	122.3	161.0	r106.4	r136.9	r159.1	r144.1
	ANNUAL	r115.7	r140.6	121.5	159.2	106.3	r137.6	r156.0	143.6
Percent change from previous quarter at annual rate(5)									
1992	I	3.8	2.1	-1.6	5.6	r2.9	1.7	6.0	3.2
	II	2.8	3.3	0.5	4.7	r1.3	1.8	4.5	2.7
	III	3.6	4.4	0.8	5.9	r2.7	2.2	-7.2	-1.1
	IV	4.2	6.0	1.8	4.6	r1.3	0.4	16.2	5.6
	ANNUAL	3.1	2.7	-0.4	5.1	2.0	2.0	3.3	2.4
1993	I	-1.8	0.6	2.5	2.9	r-0.2	4.8	-1.6	2.5
	II	-0.4	4.0	4.4	1.9	r-1.2	2.3	2.8	2.4
	III	4.0	4.1	0.1	3.7	r1.8	-0.4	3.8	1.1
	IV	r6.1	r8.6	2.3	r2.8	r-0.1	r-3.1	r7.5	r0.5
	ANNUAL	r1.7	r3.8	2.1	3.6	0.6	r1.8	r3.3	2.3
Percent change from corresponding quarter of previous year									
1992	I	2.7	1.6	-1.0	5.0	2.1	2.3	3.4	2.7
	II	2.7	2.1	-0.6	4.9	1.8	2.2	3.7	2.7
	III	3.4	3.1	-0.3	5.3	2.1	1.8	1.6	1.7
	IV	3.6	3.9	0.3	5.2	2.1	1.5	4.5	2.6
	ANNUAL	3.1	2.7	-0.4	5.1	2.0	2.0	3.3	2.4
1993	I	2.1	3.6	1.4	4.5	1.3	2.3	2.6	2.4
	II	1.3	3.8	2.4	3.8	r0.7	2.4	2.2	2.3
	III	1.5	3.7	2.2	3.3	r0.4	1.8	5.1	2.9
	IV	r1.9	r4.3	2.3	2.8	0.1	r0.9	r3.1	r1.6
	ANNUAL	r1.7	r3.8	2.1	3.6	0.6	r1.8	r3.3	2.3

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor costs

Indexes 1982=100							
1992	I	r127.2	r129.6	101.8	145.4	r101.1	r114.3
	II	129.1	131.5	101.9	147.1	101.5	114.0
	III	r130.1	r131.8	101.3	148.7	r101.8	114.2
	IV	r132.3	r133.9	101.2	150.8	r102.4	r114.0
	ANNUAL	r129.8	r131.7	101.5	148.2	101.9	r114.1
1993	I	r133.8	r136.0	101.6	149.9	r101.1	r112.1
	II	r135.7	r137.1	101.0	151.7	r101.5	r111.8
	III	r136.8	r137.9	100.9	153.0	r101.9	r111.9
	IV	r139.2	r140.8	101.2	154.1	r101.9	r110.8
	ANNUAL	r136.4	r138.0	101.1	r152.3	101.7	r111.6

Percent change from previous quarter at annual rate(5)							
1992	I	r3.0	r1.1	-1.8	1.2	r-1.4	r-1.7
	II	r5.9	r6.1	0.2	4.9	r1.5	r-1.0
	III	r3.4	r1.0	-2.4	4.2	r1.1	r0.8
	IV	r6.8	r6.6	-0.2	5.8	r2.4	r-1.0
	ANNUAL	r4.2	r3.1	-1.1	4.4	1.3	r0.2
1993	I	r4.5	r6.1	1.5	-2.3	r-5.2	r-6.5
	II	r6.0	r3.5	-2.4	4.9	r1.7	-1.0
	III	r3.0	2.4	-0.6	3.4	r1.5	0.3
	IV	r7.2	r8.6	r1.3	r3.1	0.1	r-3.8
	ANNUAL	r5.1	r4.7	-0.3	2.8	-0.2	r-2.2

Percent change from corresponding quarter of previous year							
1992	I	r3.7	r2.5	-1.2	4.4	1.5	r0.7
	II	4.2	3.8	-0.4	4.3	1.2	0.1
	III	r3.6	r2.3	-1.3	4.2	1.1	r0.6
	IV	r4.8	r3.7	-1.1	4.0	0.9	r-0.7
	ANNUAL	r4.2	r3.1	-1.1	4.4	1.3	r0.2
1993	I	5.2	4.9	-0.2	3.1	-0.1	-2.0
	II	r5.2	r4.3	-0.9	3.1	0.0	r-2.0
	III	r5.1	r4.6	-0.4	2.9	0.1	r-2.1
	IV	r5.2	r5.1	-0.1	2.2	-0.5	r-2.8
	ANNUAL	r5.1	r4.7	-0.3	2.8	-0.2	r-2.2

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor costs

Indexes 1982=100							
1992	I	r136.9	r136.1	99.5	143.0	r99.5	r104.5
	II	r139.8	r138.5	99.1	144.9	r100.0	r103.7
	III	r141.2	r138.8	98.3	146.4	100.3	r103.7
	IV	r144.7	r142.1	98.2	149.2	101.4	r103.2
	ANNUAL	r140.8	r138.9	98.7	146.0	100.4	r103.8
1993	I	r147.3	r145.2	98.6	147.8	r99.6	r100.4
	II	r150.2	r146.7	97.7	149.5	r100.0	r99.5
	III	r151.5	r148.0	97.7	150.6	r100.3	r99.4
	IV	r156.0	r153.1	98.1	r152.0	100.5	r97.4
	ANNUAL	r151.3	r148.3	98.0	r150.1	100.2	r99.2

Percent change from previous quarter at annual rate(5)							
1992	I	r1.3	r-0.3	-1.6	-1.0	r-3.5	r-2.3
	II	r8.8	r7.2	-1.5	5.4	r2.1	r-3.1
	III	r4.1	r1.0	-3.0	4.2	r1.1	r0.1
	IV	r10.2	r9.7	-0.5	7.9	r4.5	r-2.1
	ANNUAL	r5.6	r3.4	-2.0	4.4	1.4	r-1.1
1993	I	r7.4	r9.0	1.5	-3.8	r-6.6	r-10.4
	II	r8.1	4.4	-3.5	4.6	r1.4	r-3.3
	III	r3.5	r3.5	-0.1	3.0	r1.1	r-0.5
	IV	r12.3	r14.4	r1.8	r3.8	r0.8	r-7.6
	ANNUAL	r7.5	r6.7	-0.7	r2.8	-0.2	r-4.4

Percent change from corresponding quarter of previous year							
1992	I	r4.9	r2.9	-2.0	4.3	r1.5	r-0.5
	II	r6.0	r4.2	-1.7	4.5	1.3	r-1.4
	III	r4.8	r2.4	-2.3	4.3	r1.2	r-0.5
	IV	r6.0	r4.3	-1.6	4.1	1.0	r-1.9
	ANNUAL	r5.6	r3.4	-2.0	4.4	1.4	r-1.1
1993	I	r7.6	r6.7	-0.9	3.3	r0.2	r-4.0
	II	r7.4	r6.0	-1.4	3.1	0.0	r-4.0
	III	r7.3	r6.6	-0.6	2.8	r0.0	r-4.2
	IV	r7.8	r7.7	-0.1	r1.8	r-0.9	r-5.5
	ANNUAL	r7.5	r6.7	-0.7	r2.8	-0.2	r-4.4

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor costs

Indexes 1982=100							
1992	I	r115.5	r121.5	105.2	150.2	r104.5	r130.1
	II	r116.1	r122.9	105.9	151.9	r104.8	r130.8
	III	r116.8	r123.2	105.5	153.5	105.1	r131.4
	IV	r117.5	r124.0	105.5	154.5	105.0	r131.5
	ANNUAL	r116.6	r122.9	105.4	152.7	105.0	r131.0
1993	I	r117.6	r124.6	106.0	154.5	r104.2	r131.4
	II	r118.5	r125.3	105.7	156.6	r104.8	r132.1
	III	r119.2	r125.6	105.4	158.1	r105.3	r132.6
	IV	r119.2	r125.8	105.5	r158.9	r105.0	r133.3
	ANNUAL	r118.7	r125.3	105.6	157.1	104.9	r132.4

Percent change from previous quarter at annual rate(5)							
1992	I	r5.4	r3.1	-2.2	4.7	r2.0	r-0.7
	II	r2.2	r4.8	2.5	4.4	r1.0	r2.2
	III	r2.4	r0.9	-1.5	4.4	r1.2	r1.9
	IV	r2.3	r2.5	0.2	2.7	r-0.5	r0.4
	ANNUAL	r2.4	r2.6	0.2	4.5	1.5	r2.1
1993	I	r0.5	r2.1	1.6	0.0	r-2.9	r-0.5
	II	r3.1	r2.2	-0.8	5.6	r2.4	r2.4
	III	r2.3	r0.9	-1.4	3.8	r1.9	r1.5
	IV	r0.1	r0.6	r0.5	r2.0	r-0.9	r1.9
	ANNUAL	r1.8	r2.0	0.2	2.9	-0.1	r1.0

Percent change from corresponding quarter of previous year							
1992	I	r2.1	r2.0	-0.1	4.7	1.8	r2.6
	II	r1.9	r3.3	1.4	4.4	1.3	r2.4
	III	r2.1	r2.2	0.1	4.4	1.3	r2.3
	IV	r3.1	r2.8	-0.3	4.0	0.9	r0.9
	ANNUAL	r2.4	r2.6	0.2	4.5	1.5	r2.1
1993	I	r1.9	r2.6	0.7	2.9	-0.3	r1.0
	II	r2.1	r1.9	-0.2	3.1	0.0	r1.0
	III	r2.1	r1.9	-0.1	3.0	0.2	r0.9
	IV	r1.5	r1.5	0.0	r2.8	r0.1	r1.3
	ANNUAL	r1.8	r2.0	0.2	2.9	-0.1	r1.0

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporations: Productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all- employee hour	Output	Employee hours	Hourly compen- sation (1)	Real hourly compen- sation(2)	Unit labor costs	Unit non- labor cost(6)	Total unit cost (7)	Unit pro- fits (8)	Implicit price deflator (4)	
Indexes 1982=100											
1992	I	117.3	137.9	117.6	147.9	r102.9	126.1	121.1	124.7	164.1	127.1
	II	118.6	140.0	118.0	149.5	r103.2	126.0	120.0	124.3	175.5	127.5
	III	120.3	141.9	117.9	151.6	103.8	126.0	121.3	124.7	172.4	127.6
	IV	121.7	144.3	118.6	153.0	104.0	125.8	118.3	123.7	195.3	128.1
	ANNUAL	119.4	141.0	118.1	150.4	103.4	126.0	120.2	124.3	177.0	127.6
1993	I	120.4	143.3	119.0	153.9	r103.7	127.8	119.6	125.4	182.8	129.0
	II	121.6	145.7	119.9	154.8	r103.6	127.3	119.2	125.0	193.9	129.3
	III	122.7	147.3	120.1	156.0	r103.9	127.2	119.4	125.0	193.7	129.2
Percent change from previous quarter at annual rate(5)											
1992	I	2.5	2.1	-0.3	3.9	r1.3	1.5	-2.2	0.4	18.9	1.8
	II	4.8	6.4	1.6	4.5	r1.2	-0.2	-3.6	-1.2	30.6	1.1
	III	5.8	5.4	-0.4	5.6	r2.5	-0.2	4.6	1.1	-6.8	0.4
	IV	4.5	6.9	2.2	4.0	r0.7	-0.5	-9.7	-3.1	64.6	1.5
	ANNUAL	4.1	4.1	0.1	4.6	1.5	0.5	-1.4	0.0	14.2	1.0
1993	I	-4.0	-2.7	1.3	2.2	r-0.8	6.4	4.3	5.9	-23.1	2.8
	II	3.9	7.0	3.0	2.4	r-0.7	-1.5	-1.3	-1.4	26.4	0.8
	III	3.7	4.5	0.7	3.3	r1.4	-0.4	0.7	-0.1	-0.3	-0.1
Percent change from corresponding quarter of previous year											
1992	I	3.2	2.4	-0.8	4.5	1.6	1.3	-0.4	0.8	5.8	1.2
	II	4.0	4.1	0.1	4.5	1.4	0.6	-1.4	0.0	11.8	0.9
	III	4.8	4.8	0.1	4.8	1.7	0.1	-1.0	-0.2	14.6	0.9
	IV	4.4	5.2	0.8	4.5	1.4	0.1	-2.8	-0.7	24.2	1.2
	ANNUAL	4.1	4.1	0.1	4.6	1.5	0.5	-1.4	0.0	14.2	1.0
1993	I	2.7	3.9	1.2	4.1	r0.9	1.3	-1.3	0.6	11.4	1.5
	II	2.5	4.1	1.5	3.5	0.4	1.0	-0.7	0.6	10.5	1.4
	III	2.0	3.8	1.8	3.0	r0.1	1.0	-1.6	0.2	12.4	1.3

See footnotes following table 6.
r=revised

March 8, 1994
Source: Bureau of Labor Statistics

SOURCE: Output data from the Bureau of Economic Analysis, U.S. Department of Commerce, and the Federal Reserve Board. Compensation and hours data from the Bureau of Labor Statistics, U.S. Department of Labor, and the Bureau of Economic Analysis.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. The measures are first published 30 days after the close of the reference period; revisions appear 30 days later, and third revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (third revision) of a quarterly index of output per hour of all persons will differ from the initial value by between -1.8 and +2.1 index points. This interval is based on the performance of this measure between the second quarter of 1976 and the third quarter of 1992.

Footnotes, Tables 1-6

(1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.

(2) Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.

(3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.

(4) Current dollar gross product divided by constant dollar gross product.

(5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.

(6) Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.

(7) Unit nonlabor cost includes capital consumption allowances, interest, rental income of persons, and indirect taxes. For nonfinancial corporations, rental income of persons is zero by definition.

(8) Total unit cost is the sum of labor and nonlabor costs.

(9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.

Appendix table 1.

Manufacturing sector: Productivity, hourly compensation, and unit labor costs,
seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensa- tion per hour(1)	Real compensa- tion per hour(2)	Unit labor costs

Indexes 1982=100							
1991	I	122.7	126.4	103.0	139.3	99.6	113.5
	II	123.8	126.7	102.3	141.1	100.3	113.9
	III	125.6	128.8	102.6	142.6	100.7	113.6
	IV	126.3	129.2	102.3	145.0	101.5	114.8
	ANNUAL	124.5	127.8	102.6	141.9	100.5	114.0

Percent change from previous quarter at annual rate(5)							
1991	I	-1.3	-9.1	-8.0	4.8	1.6	6.1
	II	3.8	0.9	-2.8	5.2	2.9	1.4
	III	5.8	7.0	1.1	4.5	1.3	-1.2
	IV	2.2	1.2	-1.0	6.7	3.4	4.4
	ANNUAL	1.9	-2.2	-4.1	5.4	1.1	3.4

Percent change from corresponding quarter of previous year							
1991	I	1.2	-3.4	-4.6	5.7	0.3	4.4
	II	2.1	-3.3	-5.3	5.4	0.6	3.3
	III	2.3	-1.9	-4.1	5.5	1.6	3.1
	IV	2.6	-0.2	-2.7	5.3	2.3	2.6
	ANNUAL	1.9	-2.2	-4.1	5.4	1.1	3.4

See footnotes following table 6.

March 8, 1994

Source: Bureau of Labor Statistics

Appendix table 2.

Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor costs

Indexes 1982=100							
1991	I	130.5	132.3	101.4	137.1	98.1	105.1
	II	131.9	133.0	100.8	138.7	98.7	105.2
	III	134.7	135.6	100.6	140.4	99.1	104.2
	IV	136.4	136.2	99.9	143.4	100.4	105.1
	ANNUAL	133.3	134.3	100.7	139.8	99.1	104.9

Percent change from previous quarter at annual rate(5)							
1991	I	0.4	-9.6	-9.9	4.7	1.5	4.3
	II	4.6	1.9	-2.6	5.0	2.6	0.4
	III	8.7	8.1	-0.6	4.9	1.7	-3.5
	IV	5.1	1.9	-3.1	8.7	5.2	3.4
	ANNUAL	3.6	-2.1	-5.5	5.5	1.3	1.9

Percent change from corresponding quarter of previous year							
1991	I	3.0	-3.3	-6.2	5.8	0.4	2.7
	II	3.4	-3.5	-6.7	5.5	0.6	2.0
	III	3.7	-2.1	-5.6	5.7	1.7	1.8
	IV	4.7	0.4	-4.1	5.8	2.7	1.1
	ANNUAL	3.6	-2.1	-5.5	5.5	1.3	1.9

See footnotes following table 6.

March 8, 1994

Source: Bureau of Labor Statistics

Appendix table 3.

Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor costs

Indexes 1982=100							
1991	I	113.1	119.1	105.3	143.5	102.6	126.9
	II	113.9	119.0	104.5	145.5	103.5	127.7
	III	114.4	120.5	105.3	147.0	103.7	128.5
	IV	114.0	120.6	105.8	148.5	104.0	130.3
	ANNUAL	113.8	119.8	105.3	146.1	103.5	128.4

Percent change from previous quarter at annual rate(5)							
1991	I	-3.5	-8.5	-5.2	5.4	2.2	9.3
	II	2.8	-0.5	-3.2	5.7	3.3	2.8
	III	2.0	5.4	3.4	4.3	1.1	2.3
	IV	-1.6	0.2	1.8	4.2	0.9	5.9
	ANNUAL	-0.3	-2.3	-2.0	5.4	1.1	5.7

Percent change from corresponding quarter of previous year							
1991	I	-1.3	-3.5	-2.2	5.9	0.5	7.3
	II	0.3	-3.0	-3.3	5.7	0.8	5.4
	III	0.4	-1.7	-2.1	5.6	1.6	5.2
	IV	-0.1	-1.0	-0.9	4.9	1.9	5.0
	ANNUAL	-0.3	-2.3	-2.0	5.4	1.1	5.7

See footnotes following table 6.

March 8, 1994

Source: Bureau of Labor Statistics